



701 Atlantic Avenue - Alameda, California 94501-2161 - TEL: (510) 747-4300 - FAX: (510) 522-7848 - TDD: (510) 522-8467

MINUTES

SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA HELD TUESDAY, FEBRUARY 1, 2005

The Board of Commissioners was called to order at 7:41 p.m.

PLEDGE OF ALLEGIANCE

1. ROLL CALL

Present: Commissioners Daysog, deHaan, Gilmore, Matarrese, Torrey and Chair Johnson.

Absent: None.

2. CONSENT CALENDAR

Commissioner Matarrese moved acceptance of the Consent Calendar. Commissioner Gilmore seconded. Motion carried unanimously. Items accepted or adopted are indicated by an asterisk.

*2-A. Minutes of the Board of Commissioners Regular meeting held January 4, 2005. Minutes were accepted.

*2-B. Resolution to Amend the California Housing Workers' Compensation Authority Joint Powers Agreement. The Board adopted the attached Resolution to approve changes to clarify Articles 9 and 13 of the Joint Powers Authority Agreement for workers' compensation coverage.

3. AGENDA

3-A. Presentation of Audit Report for Fiscal Year Ending June 30, 2004. Executive Director Michael Pucci introduced the Housing Authority auditor, Wallace Rowe, from Wallace Rowe and Associates. Mr. Rowe provided a presentation of the audit report. He discussed the financial problems with the Section 8 program, primarily due to the loss incurred in the Section 8 Voucher program. Several things have been done to alleviate the loss for the current fiscal year. He continued by discussing the assets.

Commissioner Matarrese asked about other programs found to be under-funded. Mr. Rowe stated the Section 8 Program had a loss and all other programs broke-even. The Esperanza complex was profitable.

Commissioner deHaan asked about the \$2.2 million loss. Mr. Rowe addressed the loss on the total net assets and suggested keeping a close watch on the Section 8 program. HUD needs to be more timely in acknowledging funding amounts for the Housing Authority. It appears the Housing Authority is under-leased as far as the funding goes for the current year. He emphasized the importance of watching the use of vouchers. The previous loss occurred over a short period of time mainly because HUD had not notified the Housing Authority on its reimbursement amount until after vouchers had been issued.

Commissioner Daysog felt the Board had to make the decision to use reserves. He stated how in the past HUD encouraged housing authorities to over-subscribe

vouchers. Now HUD is not reimbursing for over-subscribing. He agreed that the Housing Authority needs to stay on track and have a safety margin.

Chair Johnson suggested increasing and replenishing the amount of reserve. Mr. Rowe stated this may be difficult since the Section 8 program is barely sustaining itself. Chair Johnson expressed her concern with homelessness if the reserve is not replenished.

Chair Johnson asked about the Administrative Expenses and suggested tightening this expense. Mr. Rowe concurred; it is something to definitely be aware of. He went on to say some housing authorities are reducing staff, eliminating tenants from their programs and looking at ways to save money. He said he doesn't expect improvement in future years due to HUD.

Commissioner Gilmore said the unfortunate result is the same number of vouchers will not be issued and there will be further reductions. Mr. Rowe replied HUD is making it difficult to lease-up the number of units authorized. He went on to discuss the program.

Commissioner Gilmore questioned the Section 8 allocation. Mr. Rowe replied that HUD has changed its methodology which may result in less funding resulting in less units leased-up.

Commissioner Daysog commented on the Section 8 allocation. Mr. Rowe responded the rent per unit has been reduced because of landlord cooperation. He is not sure this will continue in the future. He went on to discuss rent reasonableness.

Chair Johnson thanked Mr. Rowe for the presentation. This report was for information purposes only.

4. ORAL COMMUNICATIONS

None.

5. COMMISSIONER COMMUNICATIONS

Commissioner Torrey stated that Commissioner Daysog asked for a status report of the Section 8 program. He provided a letter submitted by Michael Pucci and a document provided by City Manager Jim Flint.

6. ADJOURNMENT

There being no further business, Chair Johnson adjourned the meeting at 8:02 p.m.

Attest:

Beverly Johnson, Chair

Michael T. Pucci
Executive Director / Secretary